

Worksession

Agenda Item #	12
Meeting Date	June 14, 2004
Prepared By	Daryl Braithwaite, Deputy Public Works Director
Approved By	Wayne Hobbs, Deputy Mgr.

Discussion Item	Street Rehabilitation Loan
Background	At the June 7th Work Session the City Council reviewed revised scenarios for funding the City's Street Rehabilitation program. The scenarios included 4 loan scenarios and 2 no loan scenarios. The interest rate for the loan had increased to 3.2%. The Council directed staff to bring this issue back up at the June 14 session for further discussion.
Policy	The City Council determines the need for borrowing funds for City projects.
Fiscal Impact	Proposed borrowing of \$2,005,000 for a period of seven years.
Attachments	Revised and expanded Spreadsheet comparing 6 options Revised Scenarios 1-3 using the assumption of an annual 5% construction cost increase and Scenarios 1A - 3A using a 3% construction cost increase. Comparison of Street Contract prices
Recommendation	It appears that it is still financially advantageous for the City to proceed to borrow \$2,005,000 for seven years under Scenario 2. In addition, under the loan scenarios the streets rated Very Poor and Poor would be addressed within 3 years compared to the no loan scenario which would require 6 years. City Council should provide Staff with direction.
Special Consideration	